

Policy on Up Streaming and Down Streaming of Client Funds- SOUTH ASIAN STOCKS LTD

(As per SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/084 dated June 08, 2023)

1. Objective

The objective of this policy is to ensure compliance with SEBI directives on Up Streaming and Down Streaming of client funds to and from Clearing Corporations (CCs), thereby enhancing the safety and transparency of customer funds held with South Asian Stocks Ltd.

2. Scope

This policy is applicable to all client funds handled by South Asian Stocks Ltd. in its capacity as a Stock Broker & member of NSE, BSE, MCX, NCDEX & NSDL as Depository.

3. Policy Framework

a) Up Streaming of Funds

1. Client funds received during the business day are transferred from the Up Streaming Account to the Clearing Corporation/CM at every two Hours.
2. The final transfer of funds to the Clearing Corporation/CM is made at 6:00 PM (cutoff time) every trading day.
3. Any funds received from clients after 6:00 PM are transferred to the Clearing Corporation/CM either on the same day (if operationally feasible) or on the next working day.
4. This ensures that all client funds are duly available with the CC/CM within the prescribed timelines.

b) Down Streaming of Funds

1. Funds received from the Clearing Corporation/CM (post pay-out obligations) are credited to the Down Streaming Account.
2. After completing all pay-outs to clients for the day, the Down Streaming Account is brought to nil (by upstreaming balance funds) balance by the end of the day.
3. Funds required for client pay-outs are requested from the Clearing Member (CM) on the basis of client pay-out requests received.
4. Clients may place pay-out requests in the online system on any day, including Saturdays and Sundays; however, requests received on Saturday/ Sundays are processed only on the next working day (Monday or the next business day, in case of a holiday).
5. South Asian Stocks Ltd. may request the CM to provide funds for day-to-day operational expenses at the beginning of each month and, if required, once more around the 15th of the month.
6. Payments required for Exchange transactions bills or pay in obligations are also requested from the CM as per bills/settlement obligations.

4. Controls & Monitoring

1. Daily reconciliation is carried out to ensure that client funds are correctly upstreamed to the CC/CM and down streamed for client pay-outs.
2. The compliance team monitors adherence to the timelines of fund transfers.
3. Any exceptions or delays are reported to the Compliance Officer and rectified immediately.

5. Review

This policy shall be reviewed periodically or whenever there is a modification in SEBI/CC guidelines on the subject